

28 March 2025

URBAN LOGISTICS REIT PLC
("Urban Logistics" or the "Company")

Value Accretive Acquisitions

Urban Logistics, the only London-listed REIT specialising in single let properties in the fast growth 'last touch' logistics sub-sector, presents an update on its ongoing portfolio asset management and capital recycling delivering positive total shareholder returns:

- Acquisition of two attractive logistics assets for £21.1 million at a blended net initial yield (NIY) of 7.34% and a blended reversionary yield of 7.64%;
- Represents substantial redeployment of capital from recent disposals at a significant (2.41 ppt) yield margin;
- Provides increased rental income as well as further return opportunities from active asset management.

Acquisitions

Following the announcement on 20 March 2025, that the Company had completed disposals of £26.3 million at a 3.1% premium to book value and a NIY of 4.93%, the Company is pleased to announce that the capital has been largely redeployed into the acquisition of two assets at a total acquisition price of £21.1 million and a blended NIY of 7.34%. The blended acquisition NIY represents a 2.41 ppt (or 49%) increase on the blended disposal NIY and therefore an attractive increase in the Company's income.

With a blended WAULT to first break of 4.7 years and a blended reversionary yield of 7.6%, the assets provide an opportunity for further arbitrage to the disposal yield. Further, the assets have asset management potential in the near term and, taken together with the recent disposals, provide an excellent example of the Company's proactive strategy of growing income and rebalancing the portfolio towards asset management opportunities.

The assets are well located in the Leeds and Liverpool conurbations and have an average size of around 110,000 sq ft, in line with investment policy:

- 101,260 sq. ft. unit in Leeds, acquired for £10.1 million at an NIY of 7.46%, with a rent guarantee lasting 1.4 years. The unit is well located on the edge of Leeds with excellent access to the M1, A1 and M62. The property is being refurbished to improve ESG and future letability, and to provide the opportunity to capture reversionary yield of 7.58%. All capex associated with the refurb has been accounted for in the £10.1 million acquisition cost;
- 120,190 sq. ft. unit in Liverpool, acquired for £11.0 million at an NIY of 7.23% and with a reversionary yield of 7.70%. The lease runs to 2032, with a rent review in 2027. The unit is located on a key junction of the M62 and M57 motorway, at a key connectivity point between Manchester and Liverpool, providing access to the wider motorway network.

As set out in the Company's announcement of 20 March 2025, Richard Moffitt agreed in September 2024 with the other members of M1 Agency LLP ("M1") that he would retire from M1 as he no longer has any role in the business and that he would not receive any share of M1 profits generated after 30 September 2024. Further, the Company stated that the Board had confirmed that position with M1. Fees of approximately £140,000 are payable to M1 in connection with the acquisitions but, as noted herein, Richard Moffitt will receive no personal benefit from these fees.

Nigel Rich, Chairman of Urban Logistics, said:

"These acquisitions further demonstrate the efficacy of our proactive income and capital growth strategy. We continue to be encouraged by our strong pipeline of asset management opportunities and are confident that the team's expertise in this highly specialised real estate sub-sector will increase earnings and asset value to deliver attractive shareholder returns."

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